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August 30, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: In the Matter of Federal-State Joint Board on Universal Service
CC Docket No. 96-45

Dear Mr. Caton:

In accordance with the Commission's rules regarding ex parte presentations, please be advised that yesterday, Bill Blase, Paul Cooper, Glen Sims and Dave Osborne, representing Southwestern Bell Telephone Company (SWBT), met with Commissioner Kenneth McClure, Paul Pedersen and Tom Solt of the Missouri Public Service Commission and Martha Hogerty, Public Counsel for the State of Missouri. The purpose of the meeting was to discuss the above-referenced docket.

Written materials, which were used during the presentation, are attached to this letter. Please include these materials in the official record in this docket.

Should you have any questions regarding this subject matter, please don't hesitate to contact me.

Sincerely,

Todd F. Silbergeld

Attachment

cc: The Honorable Kenneth McClure (w/o attachment)
Mr. Paul Pedersen (w/o attachment)
Mr. Tom Solt (w/o attachment)
Ms. Martha Hogerty (w/o attachment)
Ms. Kathleen Levitz (w/attachment)
Mr. John Morabito (w/attachment)

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SOUTHWESTERN BELL TELEPHONE COMPANY

**COMPREHENSIVE
FEDERAL AND STATE
UNIVERSAL SERVICE PLAN**

Missouri Presentation
Jefferson City
August 29, 1996

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TAB 1 Definition of Universal Service.

TAB 2 Why are we concerned?

- The current basis of Universal Service support
- Carrier of last resort obligations remain.
- Without change, further competitive entry risks ability to maintain Universal Service.

TAB 3 Proxy cost quantification alternatives are inappropriate and unnecessary.

TAB 4 SWBT's Comprehensive Federal/State Plan.

- Jurisdictional responsibility.
- Eligibility and qualification criteria.
- Universal Service area.
- Federal plan.
- Intrastate plans.

TAB 5 Other Issues.

- Competitive bidding is inappropriate and harmful.

UNIVERSAL SERVICE DEFINITION

Widely available basic telephone service at reasonable rates. This obligation requires the deployment of a telecommunications network for use by the general public to accomplish two-way switched voice communication within and beyond a local calling area. This universal service connectivity is provided by loop, switch and interoffice facilities and meets provider of last resort requirements. Basic services provided are:

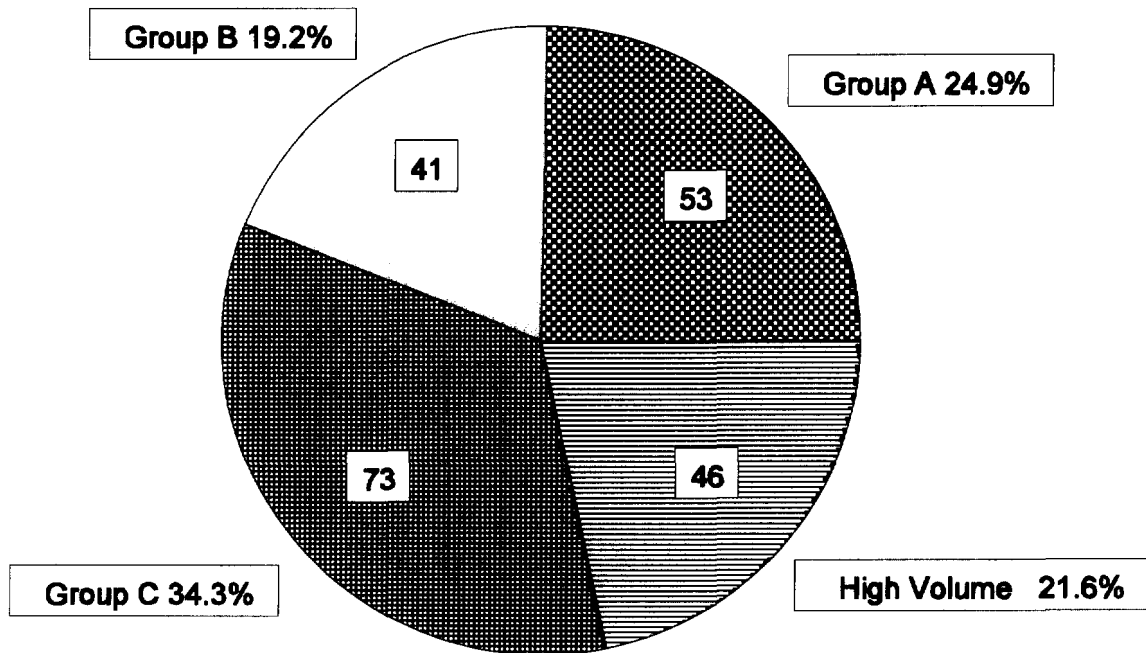
- Voice grade access to the public switched network with the ability to place and receive calls (includes loop, local switching and local interoffice transport).
- Touch-tone.
- Single-party residential and business local service.
- Access to emergency services (911/E911).
- Access to basic operator services.
- Standard white page directory listing.
- Access to basic local directory assistance.

FACILITIES WHICH CONNECT CUSTOMERS ARE THE BACKBONE OF UNIVERSAL SERVICE

1. The cost of the universally available network varies substantially geographically.
2. The sources of revenue to recover the network cost are:
 - Local exchange.
 - Support from toll, access and other services.
3. Carrier of last resort obligations remain with the incumbent LEC:
 - For existing customers.
 - Significant additional competition is not expected to be facilities-based, but through resale of service or unbundled facilities. The incumbent LEC still provides carrier of last resort facilities.
4. Without changes, further competitive entry, primarily in urban markets, will destroy the basis of support and put at risk the ability to maintain Universal Service.
 - New local entry is targeted primarily at urban areas.
 - FCC Interconnection Order effectively eliminates the ability to support the local exchange network with usage-based access revenues.

SWBT - Missouri Service Areas

213 End Office Wire Centers

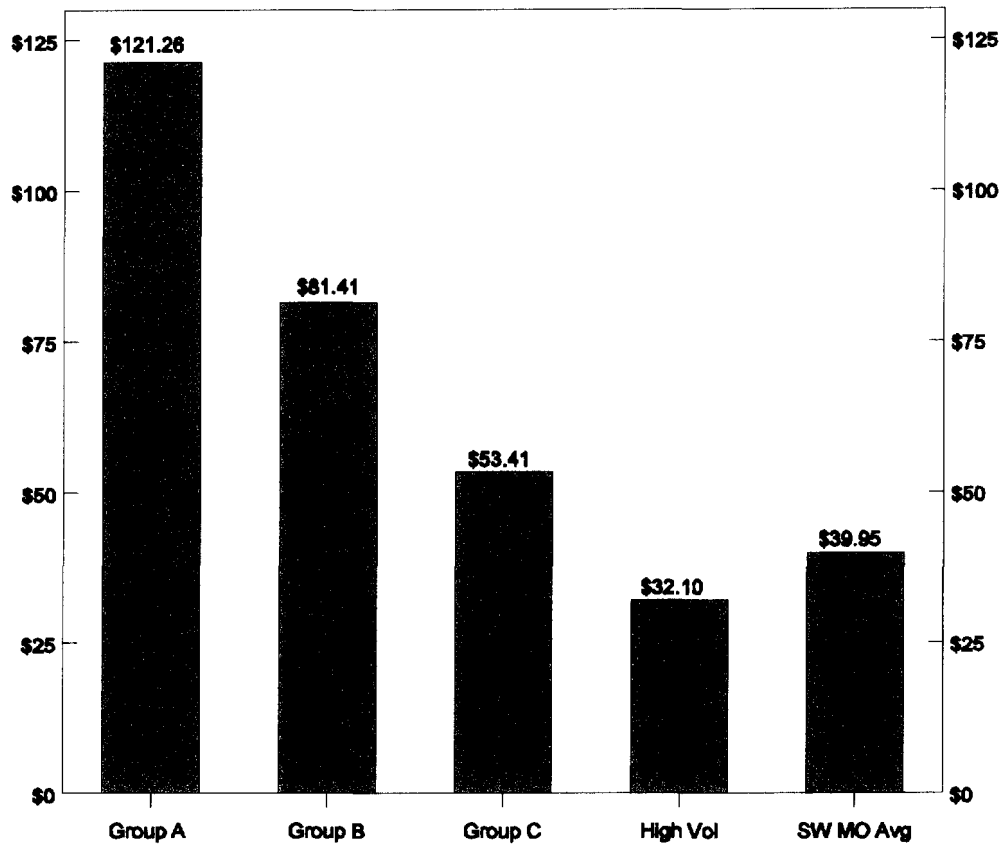


Low Volume - Group A - Under 1,000 Lines
- Group B - Under 2,500, Over 1,000 Lines
- Group C - Over 2,500 Lines
High Volume (HV) - Over 50M Toll and Access MOU

The majority of areas (wire centers) that SWBT serves are low volume, primarily mid-size and small towns and rural areas.

SWBT - Missouri

Geographic Costs To Provide Local Exchange Network



WIRE CENTER GROUPS

	Low Volume			High Vol	Total/ Average
	Group A	Group B	Group C		
Number of Wire Centers	53	41	73	46	213
Households per sq mile	8	14	40	436	75
Toll/Access MOU	2%	3%	22%	73%	100%

NOTE: An updated 1995 Study Area Cost Study average cost per access line is \$38.76.

Geographic Costs To Provide Local Exchange Network

- **Actual costs to serve vary substantially by geographic area.**
- **It is more costly to serve low density (largely rural) areas than high density, high volume (largely metro) areas.**
- **A substantial share of total local exchange costs (\$989M) are devoted to providing service in non-urban areas (\$415M, or 42%).**
- **Carrier of Last Resort obligations, in particular maintaining capacity needed to serve any reasonable service request have contributed substantially to network costs.**
- **Highest usage volumes are concentrated in metro areas - 73% in high volume areas.**

SWBT ACTUAL COSTS ARE REASONABLE

- SWBT has efficiently deployed investments to provide quality service to both urban and rural customers over many years.
- SWBT's deployment of infrastructure is devoted to upgrading the basic network for residence and business customers.
- The following assertions are wrong and without basis in fact:
 - (a) SWBT has systematically over-invested.
 - (b) SWBT has made poor historical investment decisions.
 - (c) SWBT is deploying its new plant for competitive services, interLATA or video services.
 - (d) SWBT's expenses and investments are overstated due to inefficiencies.
- AT&T and others often make these incorrect assertions, without facts, to support why their proxy models, such as TSLRIC, have investment and expense levels that are approximately 45% less than actual costs.

**ACTUAL COSTS DEPLOYED TO MAINTAIN AND SUPPORT
LOCAL EXCHANGE NETWORK ARE REASONABLE
SWBT - Missouri
1995**

	SWBT	SWBT COST %
1		
Direct Facility Invest.		
2 COE	1,099,034,095	
3 C&WF	1,623,530,880	
4 IOT	75,039,189	
5 Operator Systems	10,938,195	
6 TOTAL DIRECT FACILITY INVESTMENT	2,808,542,359	
7 COE Reserves	414,319,730	
8 C&WF Reserves	691,113,305	
9 IOT Reserves	41,755,355	
10 Oper Sys Reserves	3,818,139	
11 COE Deferred Taxes	179,633,813	
12 C&WF Deferred Taxes	126,187,549	
13 IOT Deferred Taxes	9,255,719	
14 Oper Sys Deferred Taxes	1,708,367	
15 TOTAL DIRECT FACILITY RESERVES	1,467,791,976	
16 Net Investment	1,340,750,383	
17 Direct Return and Tax	218,646,859	20.59%
Direct Facility Exp.		
18 COE Maint.	51,501,660	
19 C&WF Maint.	100,644,722	
20 IOT Maint.	24,167,753	
21 OS Maint.	840,582	
22 COE Depreciation	96,900,455	
23 C&WF Depreciation	81,031,311	
24 IOT Depreciation	5,770,891	
25 OS Depreciation	776,697	
26 Network Operations	81,414,395	
27 Property Tax	55,609,139	
28 Total Direct Expense	498,657,605	46.96%
29 Total Direct Cost	717,304,464	67.55%
Customer Service Related Expenses		
30 Customer Service Exp. (1)	58,728,954	
31 Operator Services (1)	24,698,115	
32 Total Customer Services Expenses	83,427,069	7.86%
Network and Service Support Investments		
33 Gen. Sup. Fac. Inv.	857,523,913	
34 Oth. Investment	56,278,361	
35 Gen. Sup.-Def. Taxes	100,090,798	
36 GSF Reserves	255,234,136	
37 Other Reserves	5,938,786	
38 Net Investment	552,538,555	
39 Support Investment Return and Tax	90,106,844	8.49%
Network and Service Support Expenses		
40 Depreciation (GSF)	50,842,095	
41 Amortization	4,785,315	
42 GSF Expenses	(17,567,984)	
43 Other	3,091,945	
44 Other Taxes	11,816,425	
45 Total Support Expenses	52,967,795	4.98%
Common Costs		
46 Marketing	23,279,585	
47 Corporate	94,745,819	
48 Total Common Costs	118,025,404	11.12%
49 Total Costs	1,061,831,577	100.00%

Reasonable Rates

Irrespective of geographic local exchange cost differences, the current "reasonable" rates for all are supported to a large degree by either explicit support or support flows implicit in the current rate structure. This support:

- **Maintains existing SWBT local rate levels - Low:\$ 7.55
- High:\$ 12.50**
- **Maintains existing geographic (urban vs. rural) rates via statewide intraLATA toll and interLATA access rate averaging.**

Major supports are composed of:

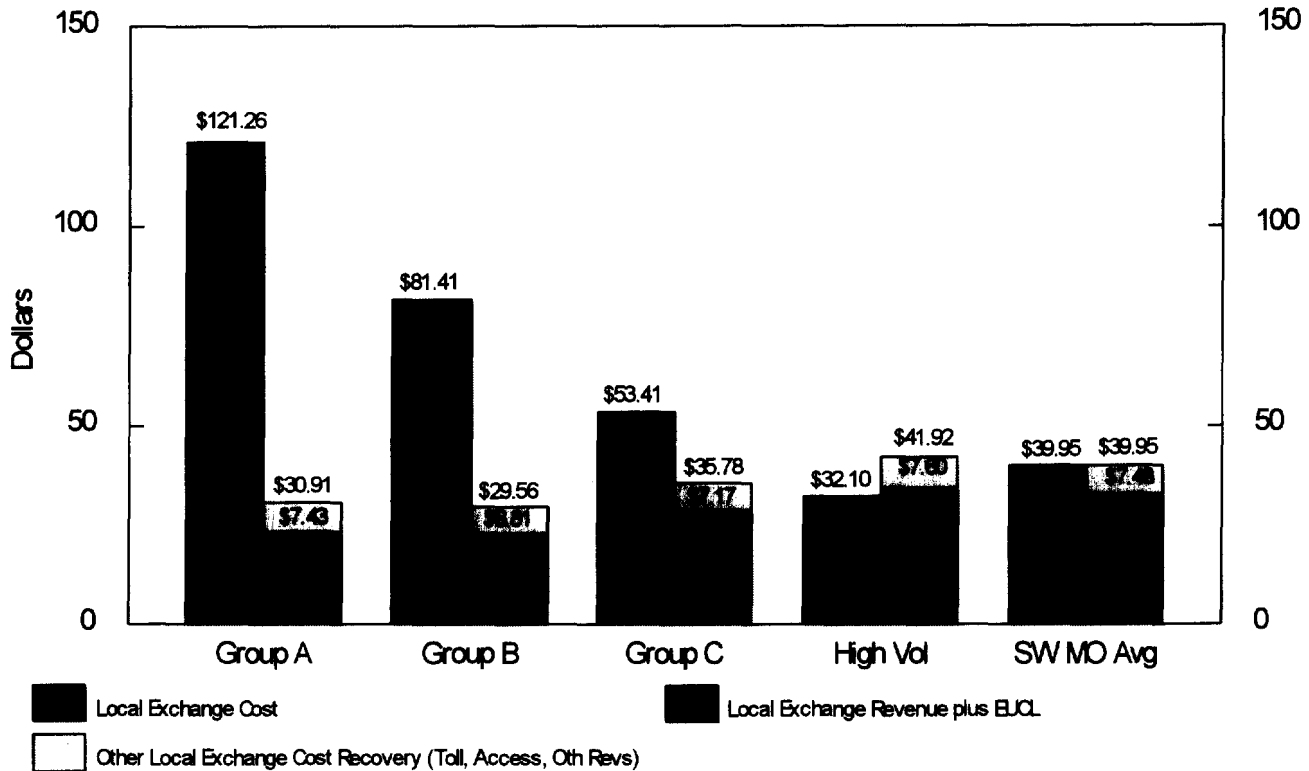
- (1) Implicit - Recovery of local costs from toll, access and other customers.**

Missouri	Avg Rev / MOU	Avg Loc Exch Support
Toll	\$ 0.19	\$ 0.09
State Access	\$ 0.11	\$ 0.07

- (2) Explicit - Federal USF**
- **Interstate switch recovery**
 - **Interstate Long Term Support**
 - **State support funds**
 - **Lifeline/Linkup**

SWBT - Missouri

Local Exchange Costs* and Local Exchange Cost Recovery Per Line Per Month



* Embedded Fully Distributed Cost Analysis

WIRE CENTER GROUPS

	Low Volume			High Vol	Total/ Average
	Group A	Group B	Group C		
Number of Wire Centers	53	41	73	46	213
Households per sq mile	8	14	40	436	75
Toll/Access MOU	2%	3%	22%	73%	100%

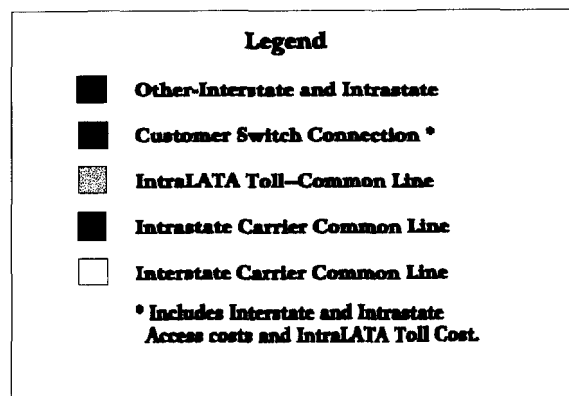
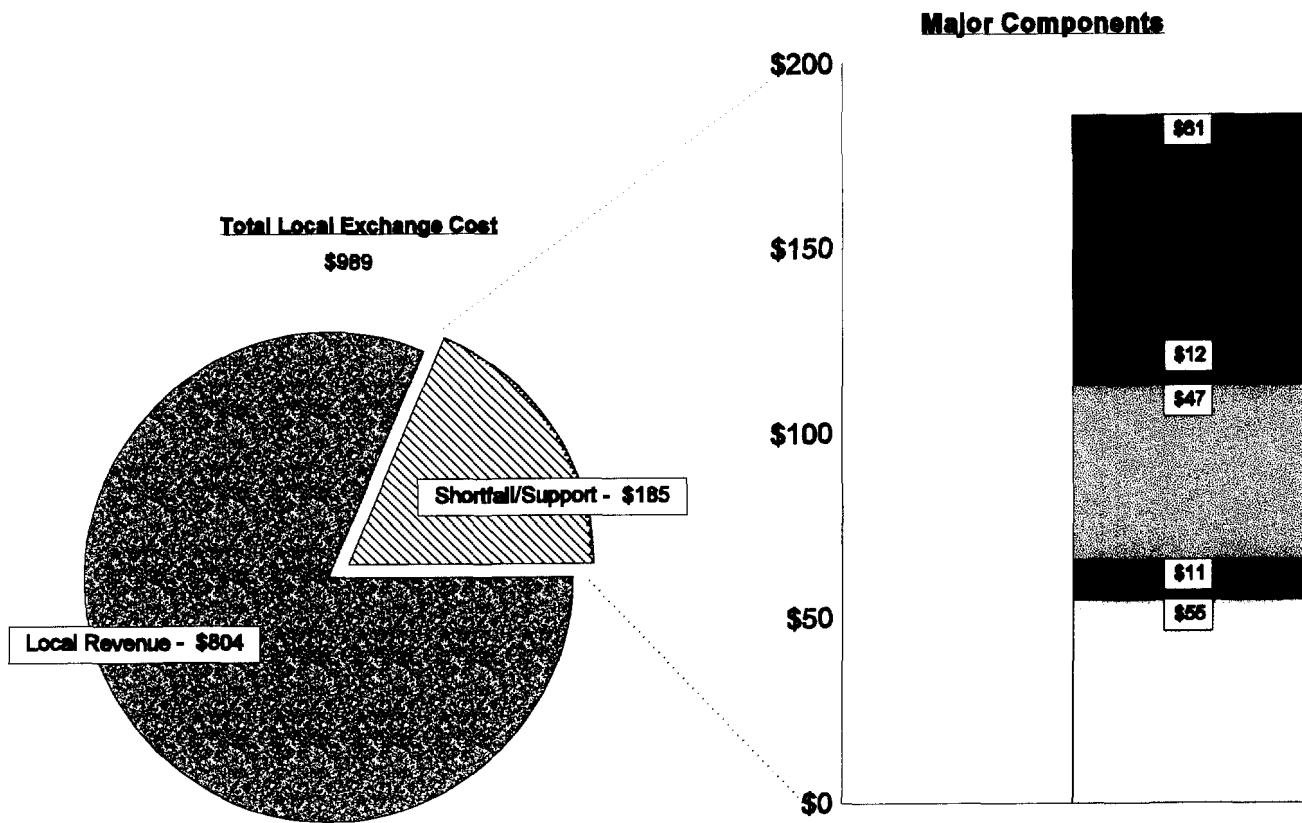
Low Volume - Group A - Under 1,000 Lines
 - Group B - Under 2,500, Over 1,000 Lines
 - Group C - Over 2,500 Lines
 High Volume (HV) - Over 50M Toll and Access MOU

NOTE: An updated 1995 Study Area Cost Study shows Local Exchange cost as \$38.76.

SWBT -Missouri

Analysis of Major Components of Support To Local Exchange Service

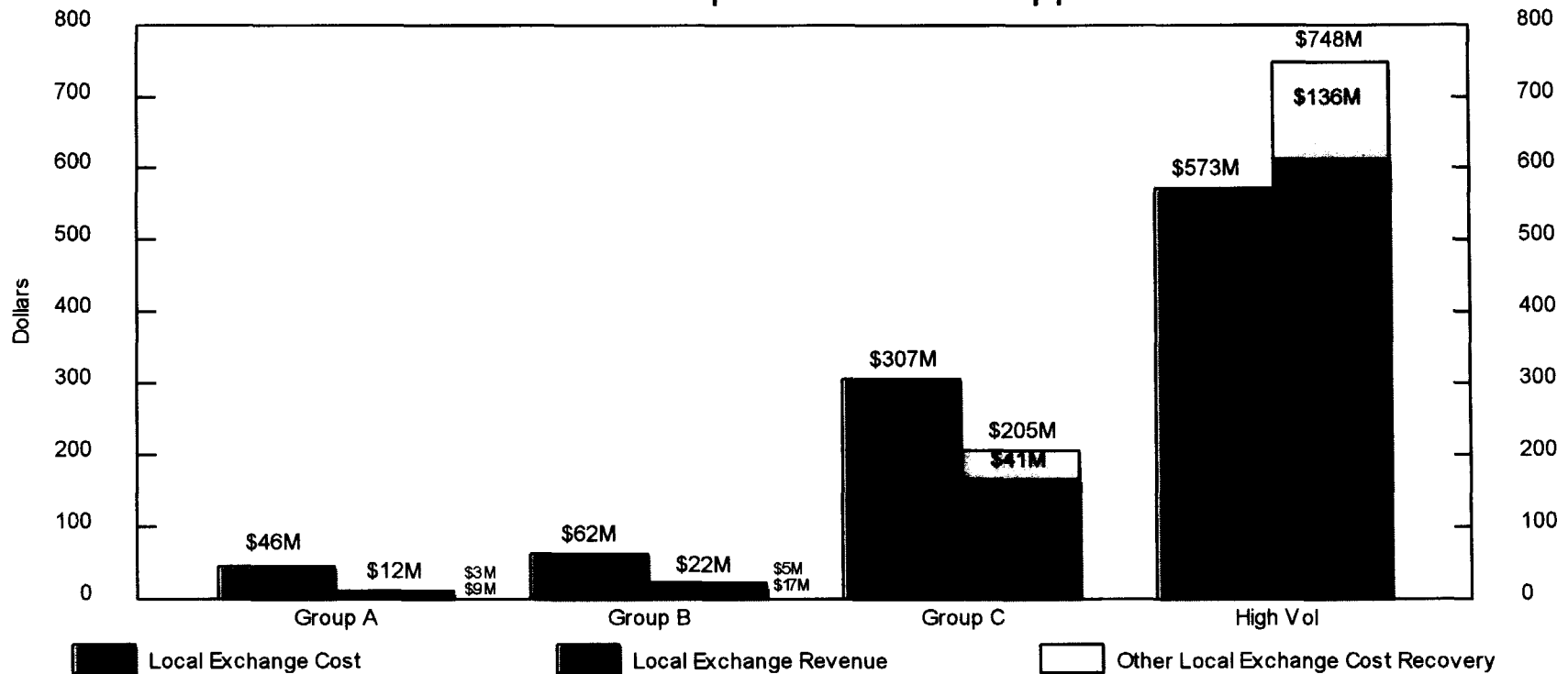
(\$ Millions)



NOTE: An updated 1995 study indicates that this support is now \$205M

SWBT - Missouri

Which Customer Groups Provide the Support to Local



Analysis of Support Used and Generated to Recover Local Exchange Network Costs

	Support Generated		Support Used	Net Geographic Support
	Toll/Acc/Oth	Local		
High Volume	\$136M	\$40M	\$0	\$176
Group A-C	\$49M	\$0	\$225M	(\$176M)
Total	\$185M	\$40M	\$225M	\$0

Summary - Missouri Local Exchange Support

- **Total toll, access and other support to maintain existing local exchange rates in Missouri is \$185M.**
- **In addition, \$40M of support for SWBT's rural network in Missouri is provided by urban local exchange customers.**
- **Local exchange revenues are lower than local exchange costs in most areas of the state.**
- **In non-urban areas local exchange revenues plus support generated by toll and access customers in those areas does not recover local exchange costs - \$176M short.**
- **The \$176M shortfall is generated by toll, access and local customers in urban high volume areas.**

SWBT-MISSOURI
SUMMARY OF SUPPORT AMOUNTS PER LINE

Exchange #	Switched Lines	Local Support Req	IS CCL Rev/Ln	ST CCL Rev/Ln	Toll/Other Support	Support Generated	Net Support
1	211	(249.19)	7.27	2.10	8.37	17.74	(231.45)
2	452	(227.86)	1.63	1.81	2.45	5.89	(221.96)
3	422	(204.82)	1.13	0.83	1.39	3.35	(201.47)
4	801	(173.09)	1.31	1.55	2.05	4.92	(168.17)
5	306	(157.54)	1.42	1.42	2.24	5.07	(152.47)
6	131	(151.10)	1.25	0.84	1.55	3.64	(147.46)
7	1,180	(149.43)	1.20	0.81	1.35	3.35	(146.08)
8	676	(148.03)	1.12	0.49	1.28	2.89	(145.13)
9	525	(147.73)	1.31	0.58	1.50	3.39	(144.33)
10	625	(144.70)	3.26	2.03	4.13	9.42	(135.29)
11	497	(136.37)	0.97	0.81	1.10	2.88	(133.49)
12	572	(135.38)	1.27	0.86	1.64	3.78	(131.60)
13	525	(130.83)	1.09	0.71	1.24	3.04	(127.78)
14	699	(130.44)	1.62	1.84	2.50	5.97	(124.47)
15	744	(126.38)	1.80	0.81	2.11	4.72	(121.66)
16	875	(119.77)	0.94	0.58	1.11	2.62	(117.14)
17	398	(118.99)	1.56	0.59	1.80	3.94	(115.04)
18	550	(118.83)	0.82	1.81	1.65	4.28	(114.55)
19	564	(115.68)	1.28	1.52	2.15	4.96	(110.72)
20	318	(113.68)	1.12	0.70	1.29	3.11	(110.57)
21	1,084	(113.49)	1.13	0.85	1.35	3.33	(110.16)
22	345	(112.40)	1.83	0.45	2.02	4.30	(108.11)
23	1,904	(110.08)	1.05	1.11	1.53	3.68	(106.40)
24	764	(103.93)	0.76	0.31	0.90	1.97	(101.96)
25	535	(102.85)	1.11	0.46	1.25	2.82	(100.02)
26	745	(100.69)	1.42	0.74	1.81	3.98	(96.71)
27	1,211	(99.73)	1.29	0.99	1.64	3.93	(95.80)
28	1,890	(99.13)	1.25	0.88	1.48	3.61	(95.52)
29	277	(95.24)	0.50	1.13	0.98	2.61	(92.62)
30	473	(93.10)	1.25	0.64	1.43	3.32	(89.79)
31	405	(89.57)	1.82	0.47	1.97	4.26	(85.31)
32	442	(88.28)	1.03	1.95	1.95	4.93	(83.35)
33	1,278	(84.41)	1.37	0.71	1.57	3.65	(80.75)
34	677	(83.22)	1.08	0.71	1.22	3.01	(80.21)
35	634	(84.98)	1.74	1.34	2.17	5.25	(79.73)
36	1,014	(85.52)	1.17	3.17	2.68	7.01	(78.51)
37	630	(81.49)	1.23	0.53	1.39	3.16	(78.32)
38	1,762	(81.38)	1.34	0.66	1.69	3.68	(77.70)
39	1,778	(80.83)	1.32	0.99	1.51	3.82	(77.00)

SWBT-MISSOURI
SUMMARY OF SUPPORT AMOUNTS PER LINE

Exchange #	Switched Lines	Local Support Req	IS CCL Rev/Ln	ST CCL Rev/Ln	Toll/Other Support	Support Generated	Net Support
40	712	(79.60)	1.12	0.77	1.48	3.37	(76.23)
41	615	(78.88)	0.89	1.59	1.65	4.14	(74.74)
42	2,412	(77.99)	1.20	0.81	1.39	3.39	(74.60)
43	462	(75.17)	1.08	0.49	1.23	2.80	(72.37)
44	2,546	(78.59)	1.79	1.94	2.71	6.44	(72.15)
45	837	(74.45)	1.30	0.57	1.49	3.36	(71.09)
46	3,357	(74.53)	1.20	1.02	1.68	3.90	(70.62)
47	685	(72.98)	1.31	0.55	1.46	3.32	(69.66)
48	1,073	(71.75)	1.20	0.55	1.41	3.16	(68.60)
49	885	(69.87)	1.19	1.22	1.85	4.26	(65.60)
50	2,138	(69.77)	1.54	0.79	1.95	4.28	(65.50)
51	609	(68.24)	1.06	0.55	1.32	2.93	(65.32)
52	1,972	(69.97)	1.57	1.39	2.14	5.11	(64.86)
53	828	(68.99)	1.25	1.26	1.81	4.32	(64.67)
54	2,118	(67.16)	1.12	0.90	1.52	3.54	(63.63)
55	943	(67.79)	1.72	0.98	2.12	4.82	(62.97)
56	2,419	(68.00)	0.99	2.12	1.99	5.10	(62.90)
57	425	(65.73)	1.52	0.51	1.69	3.72	(62.01)
58	2,768	(66.06)	1.63	1.01	2.03	4.67	(61.40)
59	5,234	(63.07)	1.15	0.52	1.33	3.00	(60.08)
60	4,742	(62.75)	1.28	0.74	1.46	3.48	(59.27)
61	5,993	(62.72)	1.36	1.01	1.81	4.18	(58.55)
62	541	(63.22)	1.96	1.24	2.29	5.49	(57.73)
63	1,437	(60.30)	1.02	0.68	1.18	2.88	(57.41)
64	4,732	(61.00)	1.65	1.14	2.10	4.89	(56.10)
65	1,810	(58.72)	1.24	0.71	1.46	3.40	(55.32)
66	2,730	(58.85)	1.37	0.71	1.76	3.84	(55.01)
67	898	(58.16)	1.66	0.57	1.89	4.12	(54.04)
68	921	(58.51)	1.20	1.43	2.06	4.69	(53.82)
69	4,331	(56.90)	1.10	0.71	1.29	3.11	(53.79)
70	1,089	(56.74)	1.55	0.83	1.80	4.18	(52.55)
71	1,803	(57.17)	1.56	1.07	2.02	4.64	(52.53)
72	1,259	(55.30)	0.99	0.72	1.15	2.85	(52.45)
73	5,519	(56.57)	1.46	1.00	1.74	4.20	(52.37)
74	846	(56.17)	1.65	0.79	2.01	4.44	(51.73)
75	1,312	(56.24)	1.67	0.87	1.98	4.52	(51.72)
76	889	(56.02)	1.53	1.17	2.00	4.70	(51.32)
77	1,156	(54.78)	1.34	0.68	1.51	3.54	(51.24)
78	389	(53.93)	1.33	0.45	1.51	3.30	(50.63)

**SWBT-MISSOURI
SUMMARY OF SUPPORT AMOUNTS PER LINE**

Exchange #	Switched Lines	Local Support Req	IS CCL Rev/Ln	ST CCL Rev/Ln	Toll/Other Support	Support Generated	Net Support
79	651	(53.10)	1.93	0.47	2.12	4.51	(48.58)
80	863	(51.40)	1.25	0.80	1.46	3.51	(47.89)
81	597	(51.40)	1.49	0.46	1.65	3.59	(47.81)
82	6,230	(53.77)	1.96	1.63	2.71	6.30	(47.47)
83	1,824	(50.26)	1.24	0.63	1.46	3.34	(46.92)
84	2,858	(49.95)	1.27	1.00	1.67	3.94	(46.01)
85	753	(48.22)	1.15	0.43	1.30	2.88	(45.34)
86	8,178	(48.39)	1.48	0.66	1.69	3.83	(44.56)
87	2,589	(47.53)	1.47	0.51	1.66	3.64	(43.89)
88	6,435	(47.98)	1.56	0.82	1.79	4.17	(43.81)
89	1,967	(50.92)	1.93	2.08	3.10	7.11	(43.81)
90	3,642	(47.44)	1.61	0.78	1.89	4.28	(43.16)
91	1,166	(46.32)	1.19	0.66	1.53	3.38	(42.94)
92	3,218	(46.29)	1.31	0.84	1.54	3.69	(42.61)
93	8,072	(49.74)	2.28	2.29	3.43	7.99	(41.74)
94	6,596	(47.95)	2.05	1.57	2.75	6.37	(41.58)
95	7,456	(44.34)	1.08	0.57	1.29	2.94	(41.39)
96	2,773	(44.57)	1.58	0.67	1.91	4.16	(40.41)
97	879	(45.13)	2.32	0.46	2.52	5.30	(39.82)
98	3,604	(47.88)	3.64	1.66	4.13	9.43	(38.46)
99	1,071	(42.37)	1.43	1.11	2.04	4.57	(37.79)
100	9,042	(41.64)	1.60	1.07	1.90	4.57	(37.06)
101	3,406	(42.31)	1.96	1.19	2.49	5.63	(36.68)
102	1,232	(40.07)	0.99	1.02	1.38	3.39	(36.67)
103	5,992	(41.96)	2.31	1.16	2.94	6.41	(35.55)
104	2,591	(40.69)	1.91	1.01	2.27	5.19	(35.51)
105	5,622	(39.61)	1.62	1.71	2.44	5.77	(33.84)
106	3,831	(35.65)	1.35	1.10	1.57	4.03	(31.62)
107	543	(39.70)	3.46	1.23	3.94	8.63	(31.07)
108	1,137	(31.20)	1.34	0.60	1.53	3.47	(27.73)
109	6,761	(35.27)	3.19	0.85	3.63	7.67	(27.61)
110	4,184	(32.08)	1.76	0.67	2.06	4.49	(27.59)
111	1,642	(34.21)	2.39	1.18	3.06	6.63	(27.58)
112	2,008	(30.39)	1.11	0.48	1.28	2.87	(27.52)
113	5,674	(32.64)	1.88	0.86	2.38	5.13	(27.52)
114	1,694	(31.05)	1.45	1.07	1.85	4.37	(26.68)
115	1,232	(28.24)	1.18	0.45	1.36	2.99	(25.25)
116	1,136	(29.02)	1.67	0.40	1.83	3.90	(25.12)
117	1,084	(28.67)	1.43	0.77	1.81	4.01	(24.66)

SWBT--MISSOURI
SUMMARY OF SUPPORT AMOUNTS PER LINE

Exchange #	Switched Lines	Local Support Req	IS CCL Rev/Ln	ST CCL Rev/Ln	Toll/Other Support	Support Generated	Net Support
118	1,255	(27.45)	1.47	0.57	1.68	3.72	(23.73)
119	5,764	(27.96)	1.61	1.29	1.96	4.87	(23.09)
120	4,116	(26.56)	1.24	0.78	1.51	3.54	(23.02)
121	4,643	(26.32)	1.64	0.74	1.90	4.28	(22.04)
122	11,148	(24.44)	1.46	0.73	1.69	3.88	(20.56)
123	5,791	(23.47)	1.43	0.52	1.63	3.58	(19.89)
124	1,377	(24.03)	1.50	0.80	1.87	4.17	(19.86)
125	7,711	(25.51)	2.15	1.12	2.57	5.83	(19.67)
126	3,088	(24.62)	2.18	0.78	2.46	5.41	(19.20)
127	8,034	(25.34)	1.88	1.83	2.77	6.47	(18.87)
128	15,027	(22.20)	1.59	0.64	1.94	4.17	(18.03)
129	3,473	(21.45)	1.67	0.69	1.91	4.27	(17.18)
130	15,304	(22.28)	1.61	1.46	2.12	5.19	(17.09)
131	2,865	(20.40)	1.31	0.54	1.50	3.35	(17.05)
132	6,721	(19.69)	1.38	0.63	1.67	3.67	(16.02)
133	9,047	(21.01)	2.17	1.14	2.64	5.96	(15.06)
134	3,051	(17.66)	0.98	0.48	1.19	2.65	(15.00)
135	6,313	(19.15)	1.60	0.84	1.86	4.30	(14.85)
136	4,194	(22.06)	2.04	2.08	3.13	7.25	(14.81)
137	4,352	(18.83)	1.52	0.81	1.93	4.26	(14.56)
138	3,924	(18.33)	1.45	0.88	1.78	4.11	(14.22)
139	1,952	(18.94)	1.86	0.83	2.07	4.76	(14.18)
140	3,190	(18.18)	1.45	1.10	1.89	4.45	(13.73)
141	5,983	(18.34)	2.14	0.69	2.42	5.25	(13.09)
142	14,275	(17.99)	1.94	0.75	2.32	5.01	(12.98)
143	1,501	(16.28)	2.06	0.78	2.45	5.29	(11.00)
144	15,593	(15.77)	1.84	0.87	2.15	4.86	(10.90)
145	1,667	(15.16)	1.73	0.85	2.02	4.60	(10.56)
146	2,129	(15.74)	2.42	0.70	2.70	5.82	(9.93)
147	5,349	(14.24)	1.67	0.72	2.01	4.40	(9.84)
148	1,691	(12.85)	1.25	0.56	1.44	3.24	(9.61)
149	11,217	(14.79)	2.04	1.00	2.51	5.54	(9.24)
150	9,309	(12.16)	1.31	0.51	1.58	3.41	(8.75)
151	35,785	(15.67)	2.64	1.11	3.17	6.92	(8.75)
152	8,615	(13.63)	1.94	1.34	2.15	5.43	(8.19)
153	4,889	(13.42)	2.07	1.26	2.52	5.86	(7.56)
154	3,466	(12.32)	2.16	0.71	2.42	5.29	(7.03)
155	15,584	(12.56)	2.19	0.75	2.61	5.55	(7.01)
156	3,678	(10.08)	1.27	0.57	1.45	3.30	(6.78)

SWBT-MISSOURI
SUMMARY OF SUPPORT AMOUNTS PER LINE

Exchange #	Switched Lines	Local Support Req	IS CCL Rev/Ln	ST CCL Rev/Ln	Toll/Other Support	Support Generated	Net Support
157	6,586	(11.38)	1.68	1.50	2.27	5.46	(5.93)
158	6,195	(11.96)	2.06	1.34	2.75	6.14	(5.82)
159	8,110	(6.57)	1.25	0.48	1.45	3.18	(3.39)
160	32,054	(5.87)	1.81	0.63	2.15	4.60	(1.27)
161	49,581	(8.12)	2.38	1.43	3.14	6.96	(1.17)
162	23,033	(4.19)	1.42	0.40	1.64	3.46	(0.73)
163	17,402	(5.76)	1.98	0.76	2.40	5.14	(0.62)
164	35,511	(4.08)	1.67	0.71	1.93	4.31	0.23
165	23,422	(3.91)	1.84	0.77	2.25	4.86	0.95
166	25,880	(6.39)	2.96	0.93	3.46	7.35	0.97
167	13,709	(1.22)	1.18	0.48	1.35	3.02	1.80
168	13,953	(3.72)	2.43	0.75	2.68	5.87	2.15
169	18,197	(1.98)	1.80	0.41	2.03	4.23	2.26
170	22,532	(3.84)	2.42	1.12	2.69	6.23	2.39
171	52,030	(4.46)	2.37	1.48	3.15	7.00	2.54
172	16,899	(1.56)	1.91	0.67	2.27	4.85	3.29
173	7,039	0.50	1.15	0.71	1.35	3.21	3.71
174	26,254	(1.15)	2.05	0.84	2.51	5.39	4.24
175	18,729	(4.78)	3.78	1.07	4.27	9.12	4.34
176	6,895	2.37	1.18	0.44	1.39	3.01	5.38
177	5,949	0.56	1.67	1.28	2.11	5.07	5.62
178	31,058	1.77	1.52	0.59	1.82	3.93	5.69
179	34,803	3.30	1.26	0.50	1.52	3.27	6.57
180	33,578	2.23	1.75	0.62	2.07	4.44	6.67
181	37,543	3.50	1.44	0.43	1.61	3.48	6.98
182	19,305	4.19	1.48	0.39	1.68	3.54	7.73
183	12,275	2.28	1.96	1.19	2.58	5.73	8.01
184	27,494	5.23	1.18	0.30	1.34	2.82	8.04
185	22,231	5.85	1.02	0.31	1.14	2.47	8.32
186	24,819	4.78	1.63	0.48	1.82	3.92	8.70
187	11,306	3.55	2.13	0.65	2.43	5.21	8.76
188	32,310	4.11	2.11	0.68	2.44	5.23	9.34
189	47,526	6.43	1.32	0.32	1.44	3.08	9.51
190	45,563	7.14	1.36	0.39	1.57	3.32	10.46
191	8,299	4.28	1.91	1.93	2.97	6.80	11.08
192	47,805	9.32	1.04	0.29	1.15	2.47	11.79
193	34,917	6.44	2.35	0.64	2.58	5.57	12.01
194	25,907	8.24	1.88	0.63	2.20	4.71	12.95
195	31,501	9.10	1.71	0.48	1.89	4.08	13.18

SWBT-MISSOURI
SUMMARY OF SUPPORT AMOUNTS PER LINE

Exchange #	Switched Lines	Local Support Req	IS CCL Rev/Ln	ST CCL Rev/Ln	Toll/Other Support	Support Generated	Net Support
196	44,028	9.83	1.95	0.61	2.29	4.85	14.68
197	40,980	9.45	2.28	0.61	2.59	5.48	14.93
198	50,645	7.85	3.08	0.79	3.39	7.26	15.11
199	27,336	8.25	2.92	0.82	3.30	7.04	15.29
200	38,515	9.69	2.38	0.66	2.66	5.69	15.38
201	12,499	10.24	2.14	0.93	2.39	5.45	15.69
202	8,737	9.52	3.29	0.97	3.75	8.00	17.52
203	39,159	13.99	1.60	0.40	1.78	3.79	17.77
204	32,306	13.45	1.79	0.63	2.08	4.51	17.95
205	48,750	12.78	2.54	0.58	2.77	5.89	18.67
206	41,318	11.67	3.20	0.79	3.60	7.59	19.26
207	45,934	11.11	3.56	0.97	3.82	8.34	19.45
208	28,188	14.66	2.19	0.56	2.47	5.22	19.88
209	18,585	15.22	2.20	0.45	2.39	5.04	20.26
210	38,038	17.80	2.49	0.76	2.91	6.17	23.96
211	34,140	24.28	1.81	1.97	2.83	6.61	30.90
212	46,854	24.23	4.14	1.66	4.93	10.73	34.96

Missouri - Summary of Support Which May Be Lost Due To FCC Interconnection Order

	<u>Missouri</u>
1. Support from other (primarily toll and access) services to maintain reasonable local rates	\$205M *
2. Amounts within average toll rates to support reasonable rate levels in high cost areas.	\$ 33M
3. Amounts within average access rates to support reasonable rate levels in high cost areas.	\$ 55M
4. Support within local services	
- Business to Residence	Not Analyzed
- Vertical svcs to Basic svcs	\$135M

*	<u>Missouri</u>
Interstate	\$ 54M
Intrastate	\$ 151M